

REDACTED VERSION FOR PUBLIC VIEW

July 12, 2015

By Electronic Filing

Notice of Ex Parte Presentation

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 12-375, Darrell A. Baker Ex Parte Presentation on Jail and Prison Costs, Rates, and Facility Cost Recovery
Revisions to Ex Parte Presentation Submitted July 8, 2015

Dear Ms. Dortch:

On July 6, 2015, Darrell Baker, Director, Utility Services Division, Alabama Public Service Commission¹, met via conference call with Pamela Arluk, Madeleine Findley, Gil Strobel, Bakari Middleton, Thomas Parisi, Miriam Strauss, and Don Sussman of the Pricing Policy Division, Competition Policy Division, and Wireline Competition Bureau to discuss my further analysis of provider specific costs and facility compensation included in the record for the above referenced proceeding. My additional analysis is based upon more comprehensive and in depth review of confidential provider costs.

For my analysis, I relied on cost support submitted to the Commission by:

Securus Technologies, Inc. (“Securus”)²
Global Tel*Link Corporation (“GTL”)³
Pay Tel Communications, Inc. (“Pay Tel”)⁴
Network Communications International Corp. (“NCIC”)⁵

¹ Mr. Baker prefaced his remarks to the Commission by stating that his comments do not necessarily reflect the views of the Alabama Public Service Commission (“APSC”), nor should his comments be construed as a change or contemplated change to the ratemaking policies of the APSC as expressed in its Orders under APSC Docket 15957 (Re: Generic Proceeding Considering the Promulgation of Telephone Rules Governing Inmate Phone Service).

² WC Docket No. 12-375, Securus Technologies, Inc., Response to Mandatory Data Collection, July 17, 2014.

³ WC Docket No. 12-375, Global Tel*Link Corporation, Response to Mandatory One-Time Data Collection, August 22, 2014.

⁴ WC Docket No. 12-375, Pay Tel Communications, Inc., Response to Mandatory Data Collection, August 18, 2014.

Telmate, LLC (“Telmate”)⁶
Inmate Calling Solutions, LLC (“ICSolutions”)⁷
CenturyLink⁸

I reasoned that the above providers serve the overwhelming majority of jails and prisons and that an analysis of their data should provide accurate and reliable results that are applicable across the entire industry. I used the 2013 cost study dataset for the analysis.

REASON FOR REVISED FILING

With one exception, I used the confidential version of spreadsheets submitted by the ICS providers referenced above in response to the Commission’s Mandatory Data Collection. However, one of the largest providers responded to my request for confidential documents by forwarding an Adobe pdf version of the file rather than the Excel Spreadsheet provided by each of the remaining providers. For my July 6, 2015 presentation to the Commission, I manually calculated the voluminous pdf responses submitted by that provider. Unfortunately, my manual calculations resulted in errors that were introduced into my findings and analysis thereof. Subsequently, I recreated the spreadsheet for that provider using their pdf version of the document and recalculated the results for all providers. The result is that average jail costs per MOU increase in relation to the findings I briefed to the Commission. Prison costs per MOU remain virtually unchanged from my finding of July 6, 2015. What follows are revisions to my findings. I sincerely apologize to the Commission for the errors.

PROVIDER COSTS - JAILS

Costs, revenue producing minutes of use (“MOU”), and commissions paid were reported by facility size based on average daily [inmate] population (“ADP”) and by call type, i.e. debit, prepaid and collect. For each provider and in accordance with facility size, I summed the costs and the MOUs. I then divided the accumulated costs for each facility size category by the accumulated MOUs associated therewith to arrive at the cost per MOU by provider and thereafter, consolidated the results for all providers as shown in Exhibit A, attached hereto.

One provider’s cost per MOU deviates substantially from the cost per MOU of other providers. I attribute the deviation to the provider’s allocation of common costs which appears

⁵ WC Docket No. 12-375, Network Communications International Corp., Response to Mandatory Data Collection, August 18, 2014.

⁶ WC Docket No. 12-375, Telmate, LLC, Response to Mandatory One-Time Data Collection, August 18, 2014.

⁷ Second Supplemental Response to Mandatory Data Collection; WC Docket No. 12-375, Inmate Calling Solutions, LLC, August 28, 2014.

⁸ In the Matter of Rates for Interstate Inmate Calling Services, WC Docket No. 12-375 – CenturyLink Complete Response to Mandatory Data Collection, September 16, 2014.

disproportionate to the common cost allocation reported by other providers, particularly for debit and collect calls. Consequently, I elected to exclude that provider's data from the composite cost calculations.

The composite cost per MOU by facility size, is shown on Exhibit A. It ranges from \$0.213/min for jails with less than 100 ADP to \$0.177/min for jails of greater than 1000 ADP and includes the Commission's authorized return on capital. For the provider proportion of jail rates, Baker recommends:

\$0.21/min for jails of <100 ADP;
\$0.21/min for jails of 100 to 349 ADP;
\$0.21/min for jails of 350 to 999 ADP;
\$0.18/min for jails with ADP >1000.

FACILITY COST RECOVERY - JAILS

For each provider and in accordance with facility size, I summed the MOUs and the commissions paid for each call type. The data for debit and prepaid calls are consolidated into a single category identified as prepaid calls. I then divided the accumulated commissions paid for each facility size category by the accumulated MOUs associated therewith to arrive at commissions paid per MOU by provider and, thereafter, consolidated the results for all providers as shown in Exhibit B, attached hereto.

One provider's commissions per MOU deviate substantially from the commissions per MOU of other providers. I attribute the deviation to either overstated commissions or understated MOUs. Consequently, I elected to exclude that provider's data from the composite facility commission calculations.

Exhibit C attached hereto, shows jail cost recovery scenarios based on facility size. From Exhibit B, the calculated commission per MOU, for each facility size, is selected as the starting point upon which to compare various levels of facility cost recovery. The chart shows the resulting reduction from current commissions based on various cost recovery rates. The cost recovery rate of previous commenters for this proceeding is also shown for purposes of comparison. Using a facility cost recovery rate of \$0.04 per MOU results in commission reductions that range from 68% for facilities with ADP <100 to 72% for facilities with ADP of 350-999 and for jails of ADP>999. The result is facility compensation reduction of two-thirds or more for all facility sizes. Consequently, I revise my recommendation for jails cost recovery from the June 30, 2015 Baker/Wood Ex Parte filing⁹ to \$0.04/min for jails of all sizes.

⁹ WC Docket No. 12-375, Notice of Ex Parte Presentation, submitted by Darrell Baker and Don Wood, June 30, 2015.

The May 8, 2015 Pay Tel Ex Parte filing¹⁰ takes the National Sheriff's Association ("NSA") facility cost survey results, eliminates the data that deviates excessively from the mean values or that is based on incomplete entries, and computes a revised facility cost of \$0.094/min for jails with 1-349 ADP and \$0.059/min for jails with ADP greater than 349. I reduced the Pay Tel NSA facility cost estimate by 50% for purposes of providing an extremely conservative estimate for facility cost. The result is a composite cost recovery requirement of approximately \$0.04/min which supports the facility cost recovery rate selected in Exhibit C.

Combining the recommended provider rates from Exhibit A with \$0.04/min facility cost recovery produces the following end user jail rates for each facility size:

COST SUPPORTED JAIL END USER RATE			
ADP	Provider Recovery Rate/Min	Facility Recovery Rate/Min	End User Rate/Min
<100	\$0.21	\$0.04	\$0.25
100-349	\$0.21	\$0.04	\$0.25
350-999	\$0.21	\$0.04	\$0.25
>999	\$0.18	\$0.04	\$0.22
COMPOSITE	\$0.19	\$0.04	\$0.23

The Commission may therefore collapse the four jail rate tiers into two tiers: end user rate of \$0.25/min for jails with ADP <999 and \$0.22/min for jails of ADP >999.

PROVIDER COSTS - PRISONS

For each prison provider and in accordance with facility size, I sum the costs, revenue producing MOUs, and the commissions paid. I then divide the accumulated costs for each facility size category by the accumulated MOUs associated therewith for all call types to arrive at the cost per MOU by provider. Thereafter, I consolidate the results for all providers as shown in Exhibit D, attached hereto. Exhibit D also shows the commissions paid by each provider and the total commissions paid by all providers in accordance with facility size.

The results are counterintuitive. The cost per MOU is lowest for the smallest facilities (up to 4999 ADP), increases for the medium sized facilities, then decreases marginally for the largest sized facilities. I surmise that equipment costs, particularly telecommunications bandwidth, increases disproportionately for the medium and large sized prisons. The added costs are spread over a higher number of MOUs for the largest prisons resulting in slightly lower average cost per MOU as compared to the medium sized facilities. The results are very

¹⁰ *Setting the Record Straight on Confinement Facility Costs*, Notice of Ex Parte Presentation, submitted by Pay Tel, Exhibit B, May 8, 2015

consistent among the prison providers. Based on the cost study analysis, I recommend provider rates of \$.08/min for facilities with 1-4999 ADP, \$.12/min for facilities with 5000-19999 ADP, and \$.10/min for facilities with ADP >20000. The composite rate for all prisons is \$.10/min.

FACILITY COST RECOVERY - PRISONS

Exhibit D shows that the smallest facilities are receiving the lowest commissions per MOU (\$0.024/min) while the medium and large sized facilities are receiving higher commissions of \$.097/min and \$.069/min respectively. Exhibit E attached hereto, shows prison cost recovery scenarios based on facility size. From Exhibit D, the calculated commission per MOU, for each facility size, is selected as the starting point upon which to compare various levels of facility cost recovery. The chart shows the resulting reduction from current commissions based on various cost recovery rates. The cost recovery rate of previous commenters for this proceeding is also shown for purposes of comparison. Using a facility cost recovery rate of \$0.02 per MOU results in commission reductions that range from 18% for facilities with 1-4999 ADP to 79% for facilities with 5000-19999 ADP. Prisons with ADP of >20000 will experience a 71% reduction in compensation.

If the intent is to cut facility cost recovery by a similar amount, \$0.01/min is the recommended cost recovery for prisons of 1-4999 ADP. However, as discussed previously, this facility size category is currently receiving a very low level of compensation (\$0.024/min) which is just slightly above the \$0.02/min compensation recommended for the medium and large size prisons. A cut from \$0.024/min to \$0.02/min is small in terms of the existing level of compensation but is likely a fair reduction considering that the larger prisons are currently receiving compensation up to four times that rate. My recommendation for prison cost recovery is the same as the rate recommended in the June 30, 2015 Baker/Wood Ex Parte presentation with the exception of an alternative recovery rate of \$0.01/min for prisons with 1-4999 ADP.

Combining the recommended provider rates from Exhibit D with the recommended facility cost recovery produces the following end user prison rates for each facility size:

COST SUPPORTED PRISON END USER RATE			
	Provider Recovery	Facility Recovery	End User
ADP	Rate/Min	Rate/Min	Rate/Min
1 - 4999 (low)	\$0.08	\$0.01	\$0.09
1-4999 (high)	\$0.08	\$0.02	\$0.10
5000 - 19999	\$0.12	\$0.02	\$0.14
>19999	\$0.10	\$0.02	\$0.12
COMPOSITE	\$0.10	\$0.02	\$0.12

OTHER RECOMMENDATIONS

1. Consider This A Beginning Point Not the End State

Intrastate ICS rates in some states include an operator surcharge component. Some states provide for caps on local and/or toll calls. A uniform intrastate rate framework will affect inmate calling behavior differently depending on each state's existing intrastate rate framework. I recommend a second look at facility cost per MOU and compensation per MOU two to three years following implementation of a uniform rate framework.

2. Transparency

The lack of transparency in the ICS industry is problematic. I recommend that providers be required to list on their website, by state, the facilities served by the provider along with the rates and fees assessed end users at the facility. Additionally, I recommend that providers be required to submit to the Commission and to state commissions, upon request or routinely if requested, a copy of the contract for each facility served as well as the provider's response to any facility invitation to bid or request for proposal. Such documents will provide insight into the basis upon which the winning bidder is selected. Moreover, providers should be required to provide federal and state regulators with online access to inmate calling records upon visiting the facility and to non-inmate account statements upon request for purposes of verifying compliance with ICS rate/fee caps.

3. Cap Ancillary Charges and Single Payment Calls

With adoption of capped facility cost recovery rates, there is no excuse for maintaining excessive ancillary fees and charges for single call products that are used by some providers to subsidize exorbitant site commission offerings. I recommend that the Commission adopt the ancillary fee caps approved by the Alabama Public Service Commission in its December 9, 2014 Order for ICS. I further recommend that single payment calls be priced in accordance with the rate and payment fee caps applicable to the facility from which the call originates. Moreover, I remind the Commission that \$13 of the \$14.99 charge for single calls paid via credit card is considered a transaction fee by GTL and Securus. A proportionately similar transaction fee is applicable to single pay calls billed to the call recipient's serving carrier. Any request to grandfather fees for these or other services should be rejected. Indeed, if the providers are allowed to charge capped rates for the call portion of the single pay charge while grandfathering the exiting "transaction fee" portion of the call, the Commission may be authorizing de facto increases in single payment call prices.

4. Integrated Facility Payment Systems Must be Addressed

The integration of inmate trust fund and ICS payment platforms within the facility may provide opportunities for providers to circumvent the payment fee caps adopted for ICS. I recommend a Third FNPRM to address these and other issues.

Attached are copies of the exhibits referenced herein. Please do not hesitate to contact me should you have any questions.

Sincerely yours,

/s/ Darrell Baker

Darrell Baker

cc via email to:

Pamela Arluk, Chief of the Pricing Policy Division
Lynne Engledow, Acting Deputy Chief of the Pricing Policy Division
Gil Strobel, Deputy Chief, Pricing Policy Division
Madeleine Findley, Acting Deputy Bureau Chief, WCB
Bakari Middleton, Attorney, Competition Policy Division
Thomas Parisi, Attorney, Pricing Policy Division
Don Sussman, Telecom Analyst, Pricing Policy Division
Miriam Strauss, Intern, Pricing Policy Division

JAILS - PROVIDER A (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER D (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER B (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER E (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER C (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER F (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
ADP				
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - PROVIDER G (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
<100				
100-349				
350 -999				
>1000				
TOTAL				

JAILS - ALL PROVIDERS (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities
<100	\$31,667,504	88,271,898	\$0.359	1330
100-349	\$83,527,575	289,576,913	\$0.288	952
350 -999	\$111,910,378	512,983,758	\$0.218	570
>1000	\$215,408,913	1,213,091,091	\$0.178	810
TOTAL	\$442,514,371	2,103,923,660	\$0.210	3662

JAILS - Excluding Provider C (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Proposed Rate/Min
<100	\$9,473,605	44,400,813	\$0.213	579	\$0.21
100-349	\$30,965,289	150,828,454	\$0.205	479	\$0.21
350 -999	\$65,143,012	322,689,467	\$0.202	383	\$0.21
>1000	\$153,193,309	867,105,374	\$0.177	646	\$0.18
TOTAL	\$258,775,214	1,385,024,108	\$0.187	2087	\$0.19

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JAILS PROVIDER G

	2013 Commissions Prepaid Calls	2013 MOU Prepaid Calls	2013 Prepaid Commissions Per MOU	2013 Commissions Collect Calls	2013 MOU Collect Calls	2013 Collect Call Commissions Per MOU	2013 Total Commissions	2013 Total MOU	2013 Total Commissions Per MOU	2013 Facilities	2013 Commission Per Facility
ADP											
<100											
100-349											
350-999											
>1000											
TOTAL											

JAILS (ALL)

	2013 Commissions Prepaid Calls	2013 MOU Prepaid Calls	2013 Prepaid Commissions Per MOU	2013 Commissions Collect Calls	2013 MOU Collect Calls	2013 Collect Call Commissions Per MOU	2013 Total Commissions	2013 Total MOU	2013 Total Commissions Per MOU	2013 Facilities	2013 Commission Per Facility
ADP											
<100	\$9,703,834	77,253,276	\$0.1256	\$1,150,111	11,018,622	\$0.1044	\$10,853,945	88,271,898	\$0.123	1,330	\$8,160.86
100-349	\$31,901,451	260,563,019	\$0.1224	\$3,466,764	29,013,894	\$0.1195	\$35,368,215	289,576,913	\$0.122	952	\$37,151.49
350-999	\$66,058,997	473,879,302	\$0.1394	\$6,554,869	39,104,456	\$0.1676	\$72,613,866	512,983,758	\$0.142	568	\$127,841.31
>1000	\$155,288,077	1,123,897,757	\$0.1382	\$14,946,352	89,193,333	\$0.1676	\$170,234,430	1,213,091,090	\$0.140	805	\$211,471.34
TOTAL	\$262,952,359	1,935,593,355	\$0.1359	\$26,118,096	168,330,305	\$0.1552	\$289,070,455	2,103,923,660	\$0.137	3,655	\$79,089.04

JAILS (ALL EXCLUDING PROVIDER B)

	2013 Commissions Prepaid Calls	2013 MOU Prepaid Calls	2013 Prepaid Commissions Per MOU	2013 Commissions Collect Calls	2013 MOU Collect Calls	2013 Collect Call Commissions Per MOU	2013 Total Commissions	2013 Total MOU	2013 Total Commissions Per MOU	2013 Facilities	2013 Commission Per Facility
ADP											
<100	\$6,568,497	67,977,426	\$0.0966	\$900,965	10,571,845	\$0.0852	\$7,469,462	78,549,271	\$0.095	1,021	\$7,315.83
100-349	\$29,781,609	251,600,165	\$0.1184	\$3,337,453	28,651,831	\$0.1165	\$33,119,062	280,251,996	\$0.118	903	\$36,676.70
350-999	\$62,958,983	459,535,020	\$0.1370	\$6,410,895	38,578,345	\$0.1662	\$69,369,878	498,113,365	\$0.139	547	\$126,818.79
>1000	\$152,495,222	1,113,727,010	\$0.1369	\$14,866,588	89,020,176	\$0.1670	\$167,361,810	1,202,747,186	\$0.139	799	\$209,464.09
TOTAL	\$251,804,311	1,892,839,622	\$0.1330	\$25,515,901	166,822,197	\$0.1530	\$277,320,212	2,059,661,819	\$0.135	3,270	\$84,807.40

JAIL ADP <100 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Cost Recovery Rate/Min X MOU	Existing Site Commissions	Existing Commissions Per Facility	Cost Recovery Per Facility Going Forward	Monthly Recovery Going Forward
\$0.1230	0.0%	88,271,898	\$10,853,945	\$10,853,945	\$10,631	\$10,631	\$886
\$0.12	2.4%	88,271,898	\$10,592,628	\$10,853,945	\$10,631	\$10,375	\$865
\$0.11	10.6%	88,271,898	\$9,709,909	\$10,853,945	\$10,631	\$9,510	\$793
\$0.10	18.7%	88,271,898	\$8,827,190	\$10,853,945	\$10,631	\$8,646	\$720
\$0.09	26.8%	88,271,898	\$7,944,471	\$10,853,945	\$10,631	\$7,781	\$648
\$0.08	35.0%	88,271,898	\$7,061,752	\$10,853,945	\$10,631	\$6,917	\$576
\$0.07	43.1%	88,271,898	\$6,179,033	\$10,853,945	\$10,631	\$6,052	\$504
\$0.06	51.2%	88,271,898	\$5,296,314	\$10,853,945	\$10,631	\$5,187	\$432
\$0.05	59.3%	88,271,898	\$4,413,595	\$10,853,945	\$10,631	\$4,323	\$360
\$0.04	67.5%	88,271,898	\$3,530,876	\$10,853,945	\$10,631	\$3,458	\$288
\$0.03	75.6%	88,271,898	\$2,648,157	\$10,853,945	\$10,631	\$2,594	\$216
\$0.02	83.7%	88,271,898	\$1,765,438	\$10,853,945	\$10,631	\$1,729	\$144
0.0160	87.0%	88,271,898	\$1,412,350	\$10,853,945	\$10,631	\$1,383	\$115
\$0.01	91.9%	88,271,898	\$882,719	\$10,853,945	\$10,631	\$865	\$72

Baker/Wood

Baker Revised

Lipman

Economist Inc

JAIL ADP 100-349 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Cost Recovery Rate/Min X MOU	Existing Site Commissions	Existing Commissions Per Facility	Cost Recovery Per Facility Going Forward	Monthly Recovery Going Forward
\$0.1221	0.0%	289,576,913	\$35,368,214	\$35,368,214	\$39,167	\$39,167	\$3,264
\$0.12	1.7%	289,576,913	\$34,749,230	\$35,368,214	\$39,167	\$38,482	\$3,207
\$0.11	9.9%	289,576,913	\$31,853,460	\$35,368,214	\$39,167	\$35,275	\$2,940
\$0.10	18.1%	289,576,913	\$28,957,691	\$35,368,214	\$39,167	\$32,068	\$2,672
\$0.09	26.3%	289,576,913	\$26,061,922	\$35,368,214	\$39,167	\$28,861	\$2,405
\$0.08	34.5%	289,576,913	\$23,166,153	\$35,368,214	\$39,167	\$25,655	\$2,138
\$0.07	42.7%	289,576,913	\$20,270,384	\$35,368,214	\$39,167	\$22,448	\$1,871
\$0.06	50.9%	289,576,913	\$17,374,615	\$35,368,214	\$39,167	\$19,241	\$1,603
\$0.05	59.0%	289,576,913	\$14,478,846	\$35,368,214	\$39,167	\$16,034	\$1,336
\$0.04	67.2%	289,576,913	\$11,583,077	\$35,368,214	\$39,167	\$12,827	\$1,069
\$0.03	75.4%	289,576,913	\$8,687,307	\$35,368,214	\$39,167	\$9,620	\$802
\$0.02	83.6%	289,576,913	\$5,791,538	\$35,368,214	\$39,167	\$6,414	\$534
0.0160	86.9%	289,576,913	\$4,633,231	\$35,368,214	\$39,167	\$5,131	\$428
\$0.01	91.8%	289,576,913	\$2,895,769	\$35,368,214	\$39,167	\$3,207	\$267

Baker/Wood

Baker Revised

Lipman

Economist Inc

JAIL ADP 350-1000 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Cost Recovery Rate/Min X MOU	Existing Site Commissions	Existing Commissions Per Facility	Cost Recovery Per Facility Going Forward	Monthly Recovery Going Forward
\$0.1416	0.0%	512,983,758	\$72,613,865	\$72,613,865	\$132,749	\$46,046	\$3,837
\$0.14	1.1%	512,983,758	\$71,817,726	\$72,613,865	\$132,749	\$45,541	\$3,795
\$0.13	8.2%	512,983,758	\$66,687,889	\$72,613,865	\$132,749	\$42,288	\$3,524
\$0.12	15.3%	512,983,758	\$61,558,051	\$72,613,865	\$132,749	\$39,035	\$3,253
\$0.11	22.3%	512,983,758	\$56,428,213	\$72,613,865	\$132,749	\$35,782	\$2,982
\$0.10	29.4%	512,983,758	\$51,298,376	\$72,613,865	\$132,749	\$32,529	\$2,711
\$0.09	36.4%	512,983,758	\$46,168,538	\$72,613,865	\$132,749	\$29,276	\$2,440
\$0.08	43.5%	512,983,758	\$41,038,701	\$72,613,865	\$132,749	\$26,023	\$2,169
\$0.07	50.6%	512,983,758	\$35,908,863	\$72,613,865	\$132,749	\$22,770	\$1,898
\$0.06	57.6%	512,983,758	\$30,779,026	\$72,613,865	\$132,749	\$19,517	\$1,626
\$0.05	64.7%	512,983,758	\$25,649,188	\$72,613,865	\$132,749	\$16,265	\$1,355
\$0.04	71.8%	512,983,758	\$20,519,350	\$72,613,865	\$132,749	\$13,012	\$1,084
\$0.03	78.8%	512,983,758	\$15,389,513	\$72,613,865	\$132,749	\$9,759	\$813
\$0.02	85.9%	512,983,758	\$10,259,675	\$72,613,865	\$132,749	\$6,506	\$542
\$0.0160	88.7%	512,983,758	\$8,207,740	\$72,613,865	\$132,749	\$5,205	\$434
\$0.01	92.9%	512,983,758	\$5,129,838	\$72,613,865	\$132,749	\$3,253	\$271

CURRENT

Baker/Wood
Baker Revised

Lipman
Economist Inc

JAIL ADP >1000 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Cost Recovery Rate/Min X MOU	Existing Site Commissions	Existing Commissions Per Facility	Cost Recovery Per Facility Going Forward	Monthly Recovery Going Forward
\$0.1403	0.0%	1,213,091,091	\$170,234,429	\$170,234,429	\$213,059	\$213,059	\$17,755
\$0.12	14.5%	1,213,091,091	\$145,570,931	\$170,234,429	\$213,059	\$182,191	\$15,183
\$0.12	14.5%	1,213,091,091	\$145,570,931	\$170,234,429	\$213,059	\$182,191	\$15,183
\$0.12	14.5%	1,213,091,091	\$145,570,931	\$170,234,429	\$213,059	\$182,191	\$15,183
\$0.11	21.6%	1,213,091,091	\$133,440,020	\$170,234,429	\$213,059	\$167,009	\$13,917
\$0.10	28.7%	1,213,091,091	\$121,309,109	\$170,234,429	\$213,059	\$151,826	\$12,652
\$0.09	35.9%	1,213,091,091	\$109,178,198	\$170,234,429	\$213,059	\$136,644	\$11,387
\$0.08	43.0%	1,213,091,091	\$97,047,287	\$170,234,429	\$213,059	\$121,461	\$10,122
\$0.07	50.1%	1,213,091,091	\$84,916,376	\$170,234,429	\$213,059	\$106,278	\$8,857
\$0.06	57.2%	1,213,091,091	\$72,785,465	\$170,234,429	\$213,059	\$91,096	\$7,591
\$0.05	64.4%	1,213,091,091	\$60,654,555	\$170,234,429	\$213,059	\$75,913	\$6,326
\$0.04	71.5%	1,213,091,091	\$48,523,644	\$170,234,429	\$213,059	\$60,730	\$5,061
\$0.03	78.6%	1,213,091,091	\$36,392,733	\$170,234,429	\$213,059	\$45,548	\$3,796
\$0.02	85.7%	1,213,091,091	\$24,261,822	\$170,234,429	\$213,059	\$30,365	\$2,530
\$0.0160	88.6%	1,213,091,091	\$19,409,457	\$170,234,429	\$213,059	\$24,292	\$2,024
\$0.01	92.9%	1,213,091,091	\$12,130,911	\$170,234,429	\$213,059	\$15,183	\$1,265

CURRENT

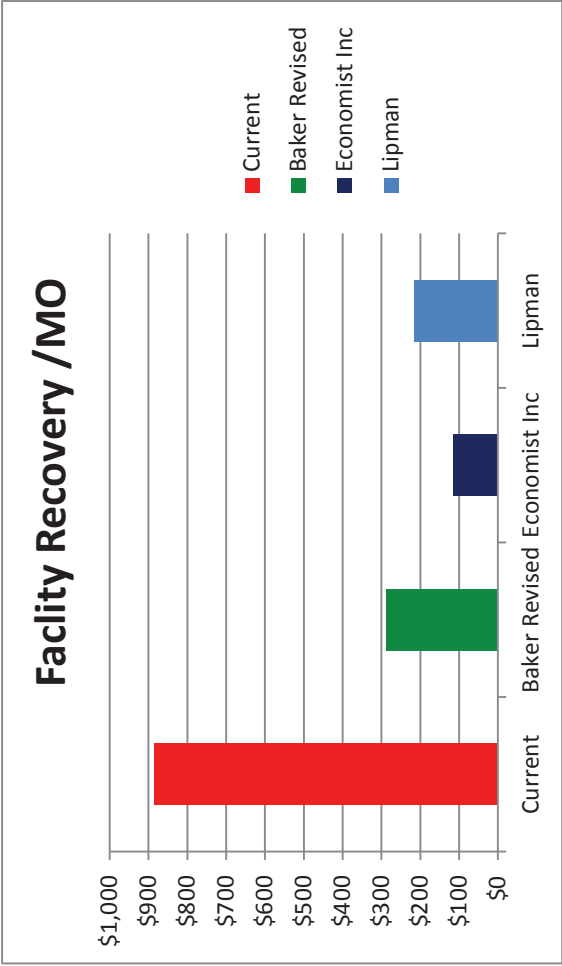
Baker/Wood Max
Baker Revised
Baker/Wood Min

Economist Inc
Lipman

JAIL ADP 100-349

Scenario	Facility Recovery /MO
Current	\$886
Baker Revised	\$288
Economist Inc	\$115
Lipman	\$216

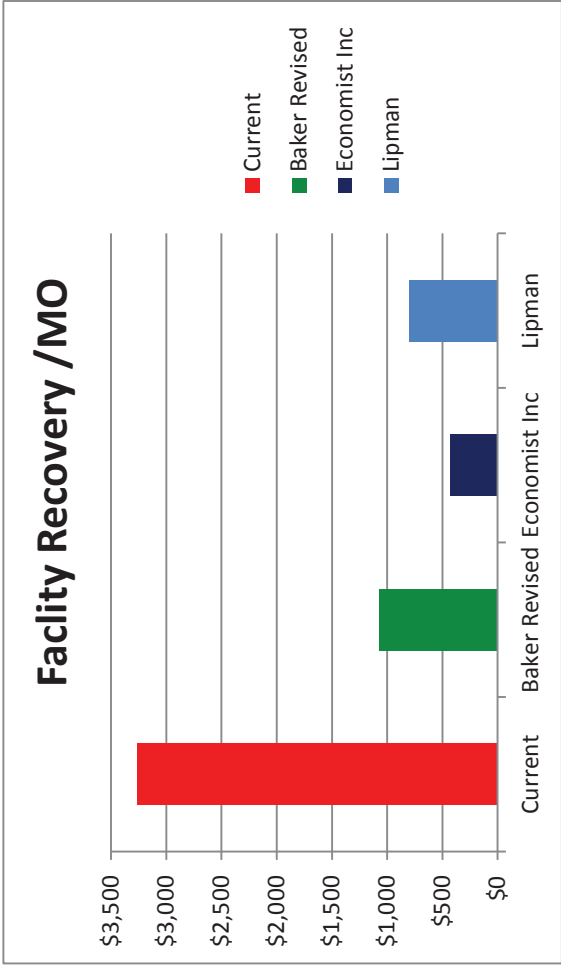
JAIL ADP 350-1000



JAIL ADP 100-349

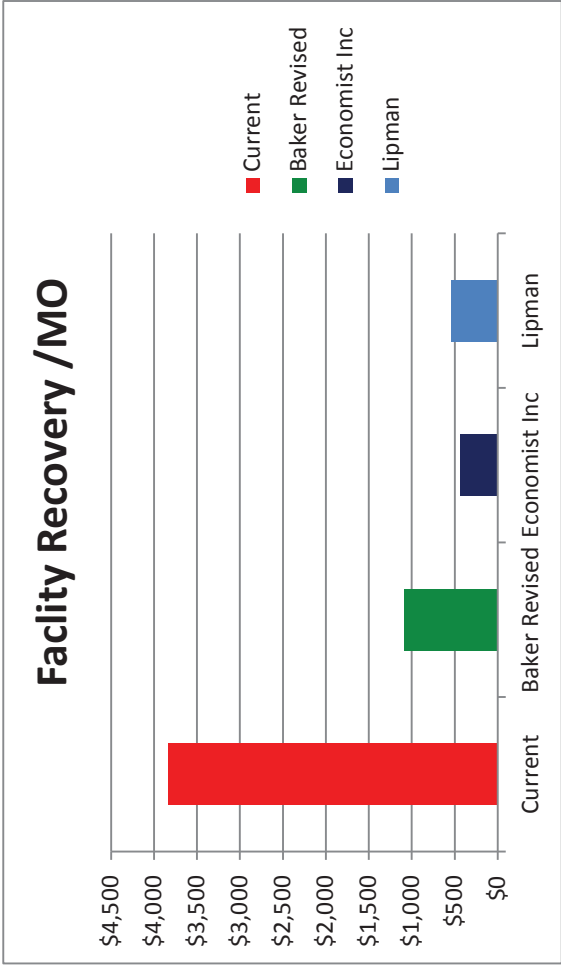
Scenario	Facility Recovery /MO
Current	\$3,264
Baker Revised	\$1,069
Economist Inc	\$428
Lipman	\$802

JAIL ADP 350-1000



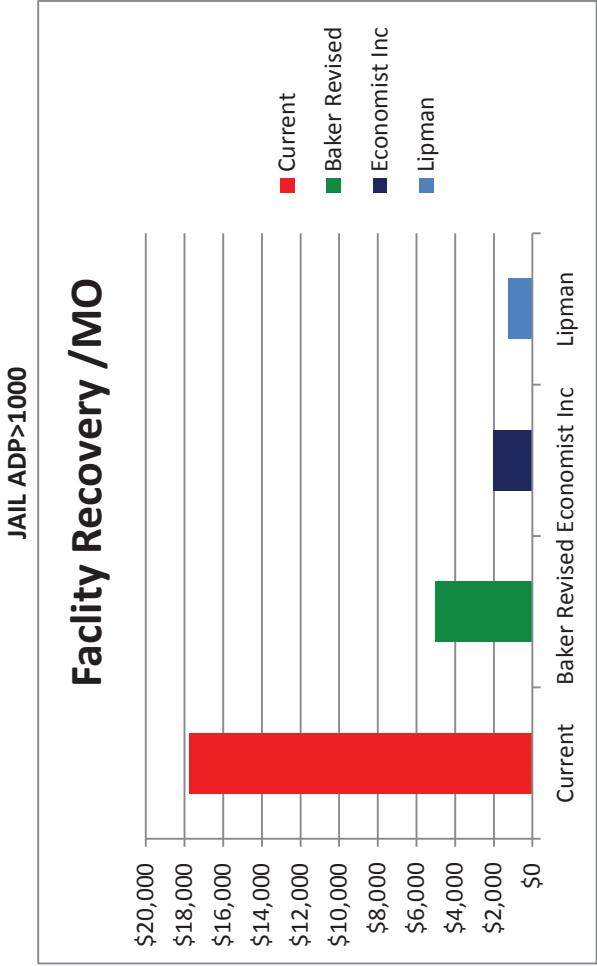
JAIL ADP 350-1000

Scenario	Facility Recovery /MO
Current	\$3,837
Baker Revised	\$1,084
Economist Inc	\$434
Lipman	\$542



JAIL ADP>1000

Scenario	Facility Recovery /MO
Current	\$17,755
Baker Revised	\$5,061
Economist Inc	\$2,024
Lipman	\$1,265



PRISONS - PROVIDER C (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU
ADP						
1-4999						
5000-19999						
>19999						
TOTAL						

PRISONS - PROVIDER D (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU
ADP						
1-4999						
5000-19999						
>19999						
TOTAL						

PRISONS - PROVIDER E (ALL CALLS)

	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU
ADP						
1-4999						
5000-19999						
>19999						
TOTAL						

PRISONS - PROVIDER F (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU
1-4999						
5000-19999						
>19999						
TOTAL						

PRISONS - PROVIDER G (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU
1-4999						
5000-19999						
>19999						
TOTAL						

PRISONS - ALL PROVIDERS (ALL CALLS)

ADP	Reported Total Cost	Reported MOU	Reported Cost Per MOU	Facilities	Site Commissions	Commission Per MOU	Proposed Rate/Min
1-4999	\$8,724,348	121,324,458	\$0.072	77	\$2,969,767	\$0.024	\$0.080
5000-19999	\$58,667,536	481,227,369	\$0.122	400	\$46,530,947	\$0.097	\$0.120
>19999	\$161,911,539	1,624,801,592	\$0.100	1,054	\$112,579,269	\$0.069	\$0.100
TOTAL	\$229,303,422	2,227,353,419	\$0.103	1531	\$162,079,984	\$0.073	\$0.100

PRISON ADP 1-4999 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Annual Cost Recovery	Existing Site Commissions	Facilities	Commissions Per Facility	Cost Recovery Per Facility Going Forward
\$0.024	0.0%	121,324,458	\$2,969,767	\$2,969,767	77	\$38,568.40	\$38,568
\$0.02	18.3%	121,324,458	\$2,426,489	\$2,969,767	77	\$38,568.40	\$31,513
\$0.01	59.1%	121,324,458	\$1,213,245	\$2,969,767	77	\$38,568.40	\$15,756
\$0.0050	79.6%	121,324,458	\$606,622	\$2,969,767	77	\$38,568.40	\$7,878

CURRENT
Baker/Wood
Lipman Baker Low
Economist Inc

PRISON ADP 5000-19999 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Annual Cost Recovery	Existing Site Commissions	Facilities	Commissions Per Facility	Cost Recovery Per Facility Going Forward
\$0.097	0.0%	481,227,369	\$46,530,947	\$46,530,947	400	\$116,327	\$116,327
\$0.09	6.9%	481,227,369	\$43,310,463	\$46,530,947	400	\$116,327	\$108,276
\$0.08	17.3%	481,227,369	\$38,498,190	\$46,530,947	400	\$116,327	\$96,245
\$0.07	27.6%	481,227,369	\$33,685,916	\$46,530,947	400	\$116,327	\$84,215
\$0.06	37.9%	481,227,369	\$28,873,642	\$46,530,947	400	\$116,327	\$72,184
\$0.05	48.3%	481,227,369	\$24,061,368	\$46,530,947	400	\$104,376	\$60,153
\$0.04	58.6%	481,227,369	\$19,249,095	\$46,530,947	400	\$104,376	\$48,123
\$0.03	73.3%	481,227,369	\$12,401,243	\$46,530,947	400	\$104,376	\$31,003
\$0.02	79.3%	481,227,369	\$9,624,547	\$46,530,947	400	\$104,376	\$24,061
\$0.01	89.7%	481,227,369	\$4,812,274	\$46,530,947	400	\$104,376	\$12,031
\$0.0050	94.8%	481,227,369	\$2,406,137	\$46,530,947	400	\$104,376	\$6,015

CURRENT
Baker/Wood
Lipman
Economist Inc

PRISON ADP >19999 COST RECOVERY SCENARIOS AND RESULTS

Cost Recovery Rate/Min	% Reduction in Current Avg Recovery/MOU	Total MOUs	Annual Cost Recovery	Existing Site Commissions	Facilities	Commissions Per Facility	Cost Recovery Per Facility Going Forward
\$0.069	0.0%	1,624,801,592	\$112,579,269	\$112,579,269	1,054	\$106,811	\$106,811
\$0.06	13.4%	1,624,801,592	\$97,488,096	\$112,579,269	1,054	\$106,811	\$92,493
\$0.05	27.8%	1,624,801,592	\$81,240,080	\$112,579,269	1,054	\$104,376	\$77,078
\$0.04	42.3%	1,624,801,592	\$64,992,064	\$112,579,269	1,054	\$104,376	\$61,662
\$0.03	62.8%	1,624,801,592	\$41,871,182	\$112,579,269	1,054	\$104,376	\$39,726
\$0.02	71.1%	1,624,801,592	\$32,496,032	\$112,579,269	1,054	\$104,376	\$30,831
\$0.01	85.6%	1,624,801,592	\$16,248,016	\$112,579,269	1,054	\$104,376	\$15,416
\$0.0050	92.8%	1,624,801,592	\$8,124,008	\$112,579,269	1,054	\$104,376	\$7,708

CURRENT

Baker/Wood

Lipman

Economist Inc

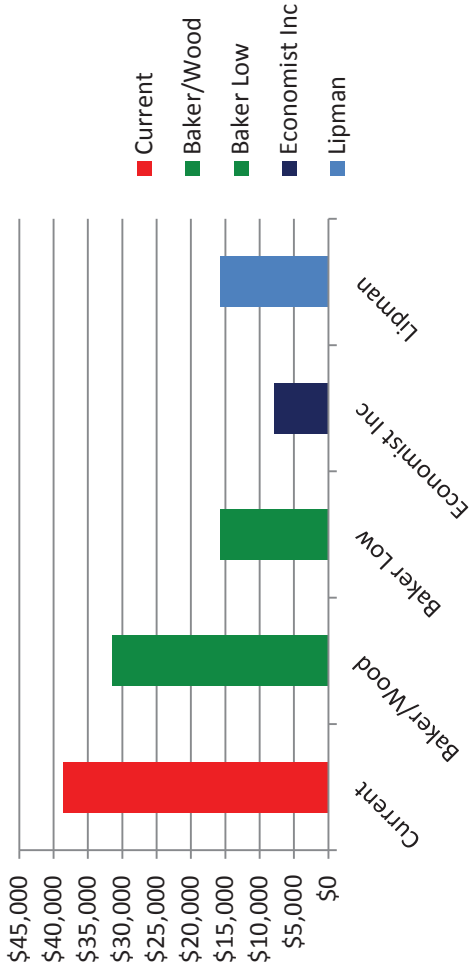
PRISON ADP 1-4999

Scenario	Facility Recovery /MO
Current	\$38,568
Baker/Wood	\$31,513
Baker Low	\$15,756
Economist Inc	\$7,878
Lipman	\$15,756

NOTE: Current average facility recovery (\$0.024/min) is presently just 4 tenths of a cent (\$.004) above the recovery rate recommended for the other prison tiers.

PRISON ADP 1-4999

Facility Recovery /MO

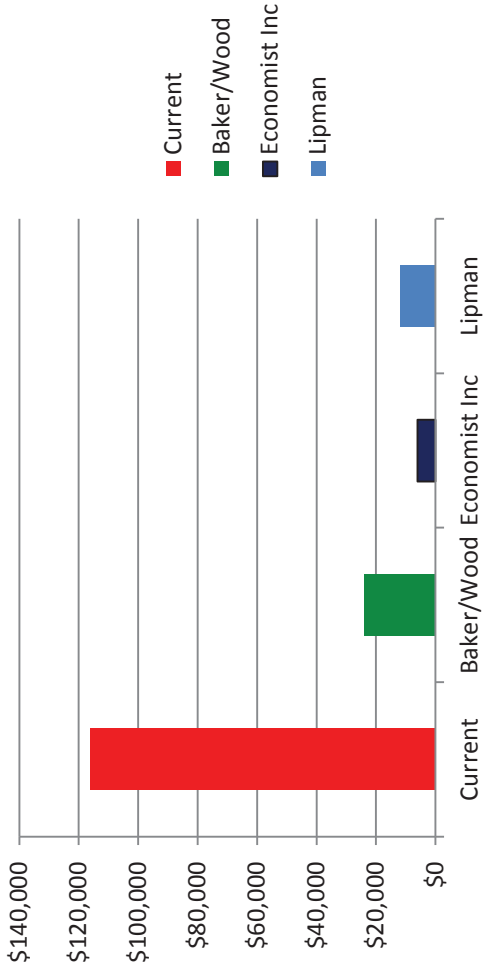


PRISON ADP 5000-19999

Scenario	Facility Recovery /MO
Current	\$116,327
Baker/Wood	\$24,061
Economist Inc	\$6,015
Lipman	\$12,031

PRISON ADP 5000-19999

Facility Recovery /MO



PRISON ADP >19999	
Scenario	Facility Recovery /MO
Current	\$106,811
Baker/Wood	\$30,831
Economist Inc	\$7,708
Lipman	\$15,416

PRISON ADP >19999

